

Message Text

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44

ACTION EB-07

INFO OCT-01 EUR-12 IO-13 ISO-00 CAB-02 CIAE-00 COME-00

DODE-00 DOTE-00 INR-07 NSAE-00 CIEP-01 FAA-00 PM-04

H-02 L-03 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

OMB-01 /083 W

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R 231611Z AUG 76

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 4244

INFO AMEMBASSY BONN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY MADRID

AMEMBASSY ROME

FAA BRUSSELS

USMISSION EC BRUSSELS

USMISSION GENEVA

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NOFORN

E. O. 11652: N/A

TAGS: EAIR, EIND, FR, US

SUBJ: CIVAIR: MERCURE 200 PROJECT

REF: PARIS 24056

1. BOEING REP HAS APPRISED US IN CONFIDENCE OF MEETING HE HAD ON AUGUST 18 WITH GEN. MITTERAND, PRESIDENT OF SNIAS. GOF APPROVAL OF MERCURE 200 PROJECT, WHICH HAD SPELLED AN END TO SNIAS-BOEING NEGOTIATIONS, WAS OF COURSE AT CENTER OF THEIR DISCUSSION. MITTEND, WE WERE TOLD, WAS DEPRESSED AT THE TURN EVENTS HAD TAKEN AND ID IN HIS LIMITED OFFICIAL USE

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OPINION THE GOF HAD TAKEN AN UNWISE DECION WHICH

WOULD BE A "DISASTER" FOR FRENCH INDUSTRY. MITTERAND SAID HE UNDERSTANDS THE GOF'S DECISION IS FINAL. IT WAS TAKEN AT A RESTRICTED MEETING OF THE COUNCIL OF MINISTERS PRESIDED OVER BY GISCARD ON JULY 27. MITTERAND SAID THAT HE HAD BEEN APPRISED OF THE DECISION ON THE FOLLOWING DAY, WHICH WAS WHY HE HAD THEN ABRUPTLY CANCELLED A MEETING HE WAS SCHEDULED TO HAVE HAD A DAY OR SO LATER WITH BOEING CHAIRMAN, WHICH THE PRESIDENT OF MESSERSCHMITT WAS ALSO TO HAVE ATTENDED.

2. MITTERAND SAID THAT IDE HAD TURNED IN FAVOR OF DOUGLAS WHEN BOEING HAD REITERATED TO GOF IN WRITING LAST MAY THAT NEED FOR OBJECTIVE STUDY OF PROJECT INVOLVING CAREFUL MARKET SURVEY PRECLUDED ANY FINAL DECISION BY BOEING BEFORE MID-1977. MITTERAND SAID THAT THIS HAD SOURED GOF ON BOEING SINCE GOF NEEDED COMMITMENT FROM US CONSTRUCTOR MUCH SOONER; GOF HAD FELT POLITICAL REASONS DICTATED NEED FOR PUBLIC ANNOUNCEMENT OF NEW CIVAIR PROJECT AT AN EARLY DATE.

3. MITTERAND SAID BOEING HAD BEEN NOTIFIED OF GOF'S DECISION BY LETTER. BOEING REP TOLD US THAT LETTER HAD STILL NOT BEEN RECEIVED IN SEATTLE AS OF AUGUST 17.

4. MITTERAND ALSO INDICATED THAT GOF HAD NOT EXTRACTED ANY COMMITMENT FROM DOUGLAS NOT TO DEVELOP THE DCX-200. (COMMENT: AS REPORTED PARIS 23511, CAVAILLE HAD SAID AT HIS PRESS CONFERENCE THAT DEVELOPMENT BY DOUGLAS OF AN AIRCRAFT COMPETING WITH AIRBUS WAS EXCLUDED.)

5. COMMENT: MITTERAND IS OBVIOUSLY DISAPPOINTED OVER TERMINATION OF HIS NEGOTIATION WITH BOEING AS A RESULT OF THE GOF'S DECISION, SO ONE MUST MAKE ALLOWANCE FOR SOME LACK OF OBJECTIVITY ON HIS PART

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IN COMMENTING ON THE DEAL WITH DOUGLAS. HOWEVER, MITTERAND IS ON RECORD PUBLICLY (PARIS 10867 NOTAL) AS BEING CRITICAL OF THE MERCURE 200 PROJECT AND THE SUB-CONTRACTOR ROLE TO WHICH IT WOULD RELEGATE SNIAS, AND THESE WORDS MAY NOW COME BACK TO HAUNT HIM AND THE GOF.

6. WE ASKED BOEING REP WHETHER NEWS REPORTS THAT BOEING WAS NEAR AGREEMENT WITH JAPANESE FOR COLLABORATION ON 7X7 COULD HAVE BEEN A FACTOR INFLUENCING DECISION BY GOF OR AT LEAST THE TIMING. HE SAID HE HOPED GOF HAD NOT ACTED SOLELY ON BASIS OF WIRE SERVICE STORIES FROM TOKYO, ESPECIALLY SINCE HE WAS LIMITED OFFICIAL USE

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UNAWARE OF ANY AGREEMENT HAVING YET BEEN CONCLUDED WITH THE JAPANESE. WHEN ONE FRENCH NEWSMAN HAD SOUGHT READ MUCH INTO FACT THAT BOEING MEETINGS WLTH JAPANESE HAD TAKEN PLACE JUST AFTER CANCELLATION OF MEETING SCHEDULED WITH SNIAS (PARA 1 ABOVE), BOEING'S PARIS OFFICE HAD DENIED ANY CONNECTION AND INFORMED NEWSMAN THAT MEETING WITH JAPANESE HAD BEEN ARRANGED A MONTH EARLIER AT SAME TIME APPOINTMENT WITH SNIAS WAS MADE.

7. BOEING REP EXPECTED HIS COMPANY WOULD NOW STEP
UP ITS COURTING OF BRITISH AND GERMANS FOLLOWING
REPORTS OF THEIR DISENCHANTMENT WITH FRENCH AS RESULT
ANNOUNCEMENT IN PARIS OF MERCURE 200 PROJECT.
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Draft Date: 23 AUG 1976
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04 MAY 2006

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